GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1451
ANSWERED ON:09.12.2004
PROFIT MARGIN OF OIL COMPANIES
Suman Shri Ramji Lal

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether profit margin of oil companies in country more as compared to the increase in their transaction-cost over the last few years;

(b) if not, the profit margin registered by O.N.G.C. and Indian oil Corporation Ltd. in their transaction in the first six months of the years 2002-03, 2003-04 and 2004-05 separately;

(c) the percentage of profit registered by these companies separately; and

(d) the reasons for steady increase in the percentage of their profit vis-Ã -vis their transactions?

Answer

MINISTER FOR PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYER)

(a) : The profit margins and the transaction cost in terms of total expenses of the Oil Companies during the last three years are given in the Statement attached.

(b) : The profit margin registered by Oil & Natural Gas Corporation Ltd. (ONGC) and Indian Oil Corporation Ltd. (IOC) in their transactions in the first six months of the years 2002-03, 2003-04 and 2004-05 are given below:

Profit Margin (%) during April-Sept.

	2002-03	2003-04	2004-05
ONGC	28.37	29.46	25.30
IOC	5.5	4.5	3.8

(c) : Information is given in the Statement attached.

(d) : The variation in profit margins of Oil Companies is not related only to variations in the transaction cost. Variation in the prices of crude oil also impacts on the profit margins of Oil Companies.

STATEMENT

Statement referred to in reply to Part (a) and (c) of the Lok Sabha Unstarred Question No. 1451 to be answered on 9.12.2004 regarding Profit margin of Oil Companies.

Profit margins and Transaction cost of oil Companies

	Profit Margin(%)(Net profit as a % of total revenue)			Transaction Cost (Rs. crore) in terms of total expenses.		
	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04
Oil & Natural Gas Corporation Ltd.	25.98	29.75	26.31	14769.00	20482.00	20392.00

Oil India Ltd.	23.95	29.33	27.31	1389.74	1784.87	1994.90
GAIL (India) Ltd.	11.02	13.55	14.72	8961.00	9756.00	9883.00
Indian Oil Corporation Ltd.	2.5	5.1	5.38	108548.00	99725.00	106510.00
Hindustan Petroleum Corporation Ltd.	1.74	2.92	3.38	38678.67	46332.33	48675.22
Bharat Petroleum Corporation Ltd.	2.12	2.56	3.14	38768.10	46855.35	51279.69
IBP Co. Ltd.	3.43	1.57	3.12	8256.78	8858.78	10435.52
ONGC –Videsh Ltd.	60.45	25.34	12.23	13.53	160.16	2745.56
Engineers India Ltd.	4.6	6.00	7.50	494.56	748.12	987.32
Kochi Refineries Ltd.	1.00	4.30	4.82	5794	8835.00	8956.00
Chennai Petroleum Corporation Ltd.	1.03	3.50	4.24	5882.86	7666.27	8195.55
Bongaigaon Refinery & Petrochemicals Ltd.	-14.94	8.54	9.16	1638.37	1782.53	2876.25
Numaligarh Refinery Ltd.	4.92	6.13	6.22	2358.27	2283.40	2757.89
Mangalore Refinery and Petrochemicals Ltd.	-9.09	-4.80	3.64	6148.65	8766.30	11424.15
Biecco Lawrie Co. Ltd.	-26%	-33%	-10%	54.02	36.86	32.69
Balmer Lawrie Co. Ltd.	1.09%	1.90	1.89	729.04	846.61	959.86